

Message Text

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ORIGIN EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 SSO-00 INRE-00 L-03 H-02

PA-01 PRS-01 USIE-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

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FM SECSTATE WASHDC

TO AMEMBASSY PANAMA IMMEDIATE

INFO AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGULPA

AMEMBASSY MEXICO

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

AMEMBASSY GUATEMALA

AMEMBASSY SAN SALVADOR

AMEMBASSY MANAGUA

C O N F I D E N T I A L STATE 083503

E.O. 11652:

TAGS: EPAP, EAGR, PN

SUBJECT: PANAMANIAN REEXPORTS OF AUSTRALIAN BEEF/1976 MEAT
IMPORT PROGRAM

SUMMARY: CUSTOMS ENTRIES SHOW RECEIPT OF 2.5 MILLION POUNDS
MEAT FROM PANAMA, IN COMPARISON TO ITS PROPOSED RESTRAINT
LEVEL OF 2.6 MILLION POUNDS. REEXPORT OF DEBONED
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AUST

ALIAN MEAT FROM PANAMA APPARENTLY BEING CHARGED AGAINST PANAMA AND THEREFORE NOT SUBJECTED TO BAN ON TRANSSHIPPED MEAT FROM AUSTRALIA BECAUSE OF IMPROPER RECORDING OF COUNTRY OF ORIGIN BY IMPORTER. CUSTOMS IS INVESTIGATING MATTER; MEANWHILE WE ARE REQUESTING THAT PANAMA CEASE EXPORTS OF MEAT TO THE UNITED STATES WHILE INVESTIGATION IS UNDERWAY. OTHER POSTS SHOULD REPORT PLANS FOR ANY POSSIBLE SIMILAR REEXPORT SCHEMES AND DISCOURAGE SUCH SCHEMES. END SUMMARY.

1. AS OF MARCH 20, U.S. CUSTOMS RECORDED ENTRY OF 2,485,491 POUNDS OF MEAT IN TSUS CATEGORIES 106.10 AND 106.20 FROM PANAMA. US MEAT INSPECTION STATISTICS SHOW THAT 2.6 MILLION POUNDS HAS BEEN PASSED IN THESE CATEGORIES AS OF MARCH 27.

2. PRELIMINARY INVESTIGATION BY USDA AND CUSTOMS SUGGESTS SUBSTANTIAL PORTION OF THESE SHIPMENTS MAY BE MEAT OF AUSTRALIAN ORIGIN TRANSSHIPPED VIA PANAMA. MEAT BELIEVED TO BE OF AUSTRALIAN ORIGIN WAS DEBONED ONLY, AN INSUFFICIENT TRANSFORMATION TO CHANGE ITS TARIFF CLASSIFICATION TO A PROCESSED CATEGORY. MEAT WAS NOT RPT NOT ATTRIBUTED TO AUSTRALIA. CUSTOMS APPARENTLY HAD BEEN INFORMED BY IMPORTER THAT MEAT ORIGINATED IN PANAMA.

3. EMBASSY SHOULD AVOID SPECULATING ABOUT EFFECT THAT CUSTOMS' DETERMINATION OF ORIGIN OF MEAT SHIPPED FROM PANAMA MAY HAVE ON ALLOCATION OF SHIPMENTS AGAINST COUNTRY RESTRAINT LEVELS. IF THIS ISSUE IS RAISED BY GOP, EMBASSY MAY SAY THAT WHEN CUSTOMS DETERMINATION IS MADE, QUANTITY CONCERNED WILL BE CHARGED AGAINST ACTUAL COUNTRY OF ORIGIN.

4. EMBASSY HEREBY INSTRUCTED TO REPORT INFORMATION IN PARAS. 1 AND 2 TO APPROPRIATE PANAMANIAN OFFICIALS AND URGENTLY REQUEST AN IMMEDIATE CESSATION OF ALL MEAT EXPORTS TO THE UNITED STATES WHILE INVESTIGATION IS UNDERWAY. EMBASSY SHOULD STRESS FAILURE TO STOP MEAT SHIPMENTS AT THIS TIME COULD JEOPARDIZE THE VOLUNTARY RESTRAINT PROGRAM AND RISK IMMEDIATE IMPOSITION OF QUOTAS
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BECAUSE SHIPMENTS CHARGEABLE TO PANAMA THAT ALREADY EXCEED ITS PROPOSED 1976 RESTRAINT LEVEL, COULD LEAD OTHER EXPORTERS TO ASSUME THEY COULD OVERSHIP WITHOUT ADVERSE CONSEQUENCE. REPORT GOP REACTION BY IMMEDIATE CABLE.

5. BOTH CUSTOMS AND USDA'S HEALTH INSPECTION SERVICE, ARE REVIEWING THEIR PROCEDURES AND REGULATIONS TO GUARD

AGAINST FUTURE CIRCUMVENTIONS OF TRANSSHIPMENT BAN
AND COUNTRY OF ORIGIN RULES. IF SIMILAR REEXPORT SCHEMES
COME TO POSTS' ATTENTION THEY ARE ADVISED TO REPORT AND
TO DISCOURAGE THEM WHENEVER POSSIBLE.

6. TEXTS OF VOLUNTARY RESTRAINT AGREEMENTS ARE BEING
DELAYED PENDING RESOLUTION OF SHORTFALL REALLOCATION
CLAUSE AND STATISTICAL MONITORING ISSUES. WE HOPE TO BE
ABLE TO PROVIDE THEM WITHIN THE NEXT FEW DAYS. KISSINGER

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